

Senate File 2362 - Introduced

SENATE FILE 2362

BY JOHNSON

A BILL FOR

1 An Act requiring the commissioner of insurance to certify
2 certain health insurance policies, contracts, or plans that
3 promote healthy lifestyles, providing for premium credits,
4 and including applicability provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 505.32 Certified health insurance
2 policies, contracts, and plans — wellness programs — premium
3 credits.

4 1. As used in this section, unless the context otherwise
5 requires:

6 *a. "Carrier"* means the same as defined in section 513B.2.

7 *b. "Certified health insurance policy, contract, or plan"*
8 means a carrier's policy, contract, or plan that has been
9 certified by the commissioner as meeting or exceeding the
10 criteria established pursuant to this section.

11 *c. "Commissioner"* means the commissioner of insurance.

12 *d. "Insured"* means an individual whose medical expenses are
13 paid by a carrier's policy, contract, or plan.

14 2. The commissioner shall adopt provisions, by rule, to
15 promote wellness by establishing criteria and procedures for
16 the designation of health insurance policies, contracts, and
17 plans that meet or exceed such criteria as certified health
18 insurance policies, contracts, or plans. A policy, contract,
19 or plan so certified shall meet, including but not limited to
20 the following objectives:

21 *a.* Provide significant economic incentives to insureds
22 designed to encourage their participation in the practice
23 of healthy lifestyle behaviors. Such incentives may be in
24 the form of health insurance premium reductions, benefit
25 enhancements, or in the case of employer-paid plans, direct
26 financial compensation.

27 *b.* Provide significant economic disincentives and penalties
28 to insureds who incorrectly certify participation in the
29 practice of healthy lifestyle behaviors. Such disincentives
30 and penalties may be in the form of increased deductibles and
31 copayments, or surcharges.

32 *c.* Set forth economic incentives and disincentives
33 substantial enough to encourage behavior modification.

34 *d.* Provide benefits for appropriate screening examinations
35 and designated adult immunizations.

1 3. The commissioner may certify a carrier's health
2 insurance policy, contract, or plan that encourages, including
3 but not limited to the following healthy lifestyle behaviors
4 and provides the following minimum premium credits for those
5 insureds who are nonsmokers and who certify that they adhere to
6 the prescribed behaviors:

7 *a.* No use of tobacco products at least six months prior to
8 the issuance of the policy, contract, or plan and while the
9 policy, contract, or plan is in effect, a premium credit of ten
10 percent.

11 *b.* Participation, three or more times per week, in an
12 aerobic activity such as brisk walking, running, swimming, or
13 bicycling, a premium credit of one percent.

14 *c.* Blood pressure maintenance, with or without
15 physician-prescribed medication, at a level as prescribed by
16 the commissioner by rule, a premium credit of one percent.

17 *d.* Maintaining a desirable weight as determined by the
18 commissioner by rule using the 1983 Metropolitan life insurance
19 company tables, lean body mass calculations, or skin fold
20 measurements, a premium credit of one percent.

21 *e.* Participating in an annual wellness check, as prescribed
22 by the commissioner by rule, a premium credit of one percent.

23 *f.* Maintaining healthy cholesterol levels, with or
24 without physician-prescribed medication, as prescribed by the
25 commissioner by rule, a premium credit of one percent.

26 4. A certified health insurance policy, contract, or plan
27 may also provide benefits for periodic preventive screening
28 examinations as appropriate to the insured's age, sex, and
29 health condition as prescribed by the commissioner by rule.

30 5. The commissioner may certify health insurance policies,
31 contracts, or plans developed and submitted by carriers that
32 do not meet the criteria set forth in subsection 3 but, as
33 determined by the commissioner, are designed to further the
34 objectives of this section in encouraging insureds to practice
35 healthy lifestyle behaviors.

1 6. In order to be certified, a health insurance policy,
2 contract, or plan shall provide that, upon determination by a
3 carrier that an insured has incorrectly certified in a material
4 way that the insured has complied with the requirements of the
5 policy, contract, or plan, the carrier will assess a surcharge
6 or increase the insured's applicable deductibles or copayments.
7 The surcharge per insured shall not exceed an amount equal to
8 three times the credit received as a result of the material
9 incorrect certification and no increases in copayment or
10 deductible shall exceed the copayment or deductible by more
11 than two times the copayment or deductible.

12 7. *a.* A carrier may apply to have a health insurance
13 policy, contract, or plan certified by filing a copy of the
14 policy, contract, or plan with the commissioner together with
15 documentation sufficient to demonstrate that the policy,
16 contract, or plan meets or exceeds the criteria specified
17 in this section. The commissioner may request additional
18 information to support the application.

19 *b.* If, after thirty days from the date of the application,
20 or after fifteen days from the date of submission of additional
21 material requested by the commissioner, whichever is later,
22 the commissioner has not acted, the carrier may notify the
23 commissioner in writing that the carrier will deem the health
24 insurance policy, contract, or plan as certified on the tenth
25 day following receipt of such notification by the commissioner.

26 8. A carrier that issues a health insurance policy,
27 contract, or plan certified under this section shall provide a
28 certification form to all insureds under the policy, contract,
29 or plan whereby the insured may certify participation in the
30 practice of healthy lifestyle behaviors as required by the
31 certified policy, contract, or plan. This form shall be filed
32 with and approved by the commissioner prior to its use and
33 shall include notification to an insured of the applicable
34 penalties for incorrectly certifying in a material way that the
35 insured has participated in the practice of healthy lifestyle

1 behaviors required by the certified policy, contract, or plan.

2 9. This section shall not be construed to preclude a carrier
3 from offering health insurance policies, contracts, or plans
4 that are not certified pursuant to this section but otherwise
5 meet the requirements of law.

6 10. The commissioner shall adopt, by rule, provisions
7 allowing suspension or modification of premium rate
8 restrictions to enable a carrier to provide premium credits as
9 set forth in this section.

10 11. This section applies to policies, contracts, or plans
11 of health insurance delivered, issued for delivery, continued,
12 or renewed in this state on or after January 1, 2011. The
13 commissioner shall adopt rules to implement this section prior
14 to that date.

15 EXPLANATION

16 This bill requires the commissioner of insurance to certify
17 certain health insurance policies, contracts, or plans that
18 promote healthy lifestyles and provides for premium credits,
19 and includes applicability provisions.

20 The bill requires the commissioner to adopt rules to promote
21 wellness by establishing criteria and procedures for certifying
22 health insurance policies, contracts, and plans that meet
23 objectives such as providing significant economic incentives
24 to insureds to participate in healthy lifestyle behaviors;
25 providing significant economic disincentives to insureds who
26 incorrectly say they participated in such behaviors; setting
27 forth economic incentives and disincentives substantial enough
28 to encourage behavior modification; and providing benefits
29 for appropriate screening examinations and designated adult
30 immunizations.

31 The commissioner may certify a health insurance policy,
32 contract, or plan that includes premium credits in designated
33 amounts for insureds who are nonsmokers and do not use tobacco
34 products, and who participate in regular exercise, maintain
35 a healthy blood pressure, control their weight, participate

1 in annual wellness checks, and maintain healthy cholesterol
2 levels.

3 Certified health insurance policies, contracts, or plans
4 must also include penalties such as surcharges or increases
5 in copayments or deductibles for insureds who represent
6 incorrectly in a material way that they have complied with the
7 behaviors for which a premium credit was given.

8 Carriers must apply to have a health insurance policy,
9 contract, or plan certified by filing an application with the
10 commissioner. Such a policy, contract, or plan is deemed
11 certified if the application is not acted upon within 30 days
12 of its filing or within 15 days of the commissioner's receipt
13 of requested additional information.

14 The commissioner is required to adopt, by rule, provisions
15 that allow suspension or modification of premium rate
16 restrictions to enable a carrier to provide premium credits as
17 set forth in the bill.

18 The bill is applicable to health insurance policies,
19 contracts, or plans delivered, issued for delivery, continued,
20 or renewed in this state on or after January 1, 2011, and the
21 commissioner is required to adopt rules to implement the bill's
22 provisions prior to that date.